**IN THE UNITED STATES DISTRICT COURT**
**FOR THE EASTERN DISTRICT OF TEXAS**
**MARSHALL DIVISION**

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| **MASS ENGINEERED DESIGN, INC. And JERRY MOSCOVITCH** | § | |
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| **Plaintiffs, Counter-defendants, Cross-claimants,** | § | **JUDGE: LEONARD DAVIS** |
| vs. | § | |
| **ERGOTRON, INC., DELL INC., CDW CORPORATION, and TECH DATA CORPORATION** | § | **Civil Action No. 02-06CV-272** |
| | § | **JURY TRIAL DEMANDED** |
| **Defendants, Counterclaimants,** | § | |
| and | § | |
| **DELL MARKETING L.P.,** | § | |
| **Intervenor – Defendant, Counterclaimant** | § | |

**MASS' RESPONSE TO ERGOTRON'S**
**MOTION TO COMPEL**

Ergotron's Motion should be denied because it is overly broad and seeks waiver for documents that are clearly privileged. Rather than tailoring its proposed waiver to relate only to topics which were described in Mr. Moscovitch's reissue declaration, Ergotron improperly seeks to waive the privilege for "all communications relating to patentability" (Motion at 11) and "all communications with Attorney Waraksa" (Motion at 12, 14). Such a broad waiver is both unwarranted and improper.

Ergotron overreaches by saying that any disclosure of privileged information would have the effect of waiving all advice ever given to Mass and its employees concerning any matter related to patentability and all advice on any topic given by Mass' patent counsel. That is not the law of waiver. Waiver is limited very specifically to communications relating to the same subject matter. *GFI, Inc. v. Franklin Corp.*, 265 F.3d 1268, 1273 (5th Cir. 2001). Indeed, this Court has recognized that "[i]n patent cases, the scope of waiver is narrowly construed." *Sky Technologies LLC v. IBM, Inc.*, 2:03-CV-454(DF) at 10 (attached as Exhibit A). For these reasons, Ergotron's Motion should be denied.

Mass agrees that a limited waiver occurred as a result of the information disclosed in Mass' reissue declaration. However, the scope of such waiver should be specifically limited only to the subject matter disclosed. Specifically, the subject matter waiver here should relate only to (1) claim scope believed available based on the prior art known to MASS' attorneys during original prosecution; (2) claim scope believed available based on the prior art known to MASS' attorneys upon filing the reissue declaration.

In addition, Mass emphasizes that it has reviewed the documents remaining on its privilege log and has produced all communications related to the same subject matter disclosed in the reissue declaration. The only documents that Mass continues to withhold relate to wholly separate subject matter, including patents and patent applications that are not related to the patent-in-suit.

## I. PRIVILEGED MATTERS IN LETTERS TO THE LAW SOCIETY OF UPPER CANADA REMAIN PRIVILEGED

The Law Society of Upper Canada is the equivalent of a state bar in the United States. It is responsible, in part, for hearing complaints related to attorney misconduct. All communications sent to the LSUC remain confidential among the parties to the proceeding. Ergotron takes the unusual position that any communications sent to a "regulatory body" are *per se* not privileged. However, Ergotron fails to provide any support for such an unreasonable position.

It is well established in Canada that the attorney-client privilege is not waived by the client when otherwise privileged information is submitted to the LSUC. *Law Society of Upper Canada v. Telecollect Inc.*, [2001] O.J. No. 4059, 56 O.R. [3d] 296. Similarly, it is codified in Canadian law that disclosures by an attorney to the LSUC as part of an investigation cannot serve as a waiver of the privilege:

> Subsections (1), (2) and (2.1) do not negate or constitute a waiver of any privilege and, even though information or documents that are privileged must be disclosed under subsection (1) and are admissible in a proceeding under subsections (2) and (2.1), the privilege continues for all other purposes. (emphasis added)

*Law Society Act*, s. 49.9(3). Clearly, Ergotron is incorrect in its assertion that disclosures made to the LSUC are not privileged. In fact, such communications – whether made by the client or by the attorney – remain privileged for all purposes unrelated to the complaint. Therefore, any attempt by Ergotron to compel the complete production of such material is improper.

In fairness, Mass has produced certain parts of the letters submitted to the LSUC because either the information was not originally privileged, or it was privileged but has been waived by disclosing the same subject matter in Mr. Moscovitch's reissue declaration. However, such disclosures were carefully tailored to reveal only the same subject matter disclosed in the reissue declaration. The redacted portions of these documents are not related to the same subject matter and therefore remain privileged.

## II. ERGOTRON IMPOPERLY SEEKS PRIVILEGED ATTORNEY-CLIENT COMMUNICATIONS

Ergotron agrees that "the attorney-client privilege protects a client's communications to his lawyer." Ergotron's Motion at 8. Nonetheless, the relief Ergotron seeks clearly violates this well established rule. Ergotron is not entitled to "explore…the communications with Attorney Waraksa to rebut Plaintiff's accusations." Ergotron's Motion at 12. Indeed, no "accusations" that relate in any way to the privileged communications with Mr. Waraksa have been made against Ergotron in this case. In essence, Ergotron seeks a fishing expedition through Mass' privileged communications in order to rebut accusations which Ergotron's only assumes Mass' might make.[1]

Worse, Ergotron completely misstates the facts to support its untenable argument that it is entitled to all of Mass' privileged communications with its patent attorney. Ergotron unequivocally states that Mass "publicly criticized Attorney Waraksa's advice." Ergotron's Motion at 12. However, as Ergotron knows or should know, communications with the Law Society of Upper Canada are confidential and are in no way public. *See*, Section I, *infra*.

Finally, to further underscore the impropriety of Ergotron's request, Mr. Waraksa has provided legal advice to Mr. Moscovitch on topics completely unrelated to this litigation or the patent-in-suit. For instance, Mr. Waraksa provided Mr. Moscovitch with legal advice relating to trademark prosecution and enforcement, prosecution and maintenance of completely unrelated patents and issues related to prosecution of unrelated foreign patents. However, under Ergotron's broad waiver theory, Mass would have to produce those privileged, but completely unrelated communications. Clearly, such a broad waiver is completely improper.

To the extent Ergotron argues there has been a waiver of the privilege with regard to communications with Waraksa, Ergotron has wholly failed to undertake the proper analysis for determining the scope of any such waiver. Rather, it invites the Court to simply condone its improper "exploration" of Mass' privileged communications.

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[1] Ergotron states that "Plaintiffs apparently intend to rely" on certain facts contained in the unredacted portions of Mr. Moscovitch's letter to the Canadian bar association. Conveniently, Ergotron fails to produce any evidence of this apparent intent and, rather, is content to base its argument purely on speculation.

## III. ERGOTRON'S BROAD WAIVER IS IMPROPER

Ergotron's proposed waiver is simply overbroad. Rather than tailoring the scope of waiver to the specific subject matter of the disclosures, Ergotron seeks to gain an unfair advantage by improperly gaining access to Mass privileged communications.

This standard for determining the scope of waiver is clearly set forth in the cases cited by Ergotron:

> The widely applied standard for determining the scope of a waiver…is that the waiver applies to all other communications relating to the same subject matter.

*In re Seagate Technology, LLC*, 497 F.3d 1360, 1372 (Fed. Cir. 2007) (*citing Fort James Corp. v. Solo Cup Co.*, 412 F.3d 1340, 1349 (Fed. Cir. 2005)). The very core of the law regarding subject matter waiver of the attorney-client privilege is the further recognition by the Federal Circuit that:

> [t]here is no bright line test for determining what constitutes the subject matter of a waiver, rather courts weigh the **circumstances** of the disclosure, the **nature** of the legal advice sought and the **prejudice** to the parties of permitting or prohibiting further disclosures.

*Fort James Corp.*, 412 F.3d at 1349-50 It is clear that the Federal Circuit limits the scope of any waiver to only those communications which are within the same subject matter as the disclosed material. Therefore, it is improper to expand the scope of wavier beyond the subject matter disclosed.

The case Ergotron cites in support of its improper overreaching does not, in fact, support the excessive waiver advocated by Ergotron. At its core, *Board of Trustees Of The Leland Stanford Junior University v. Roche Molecular Systems, Inc.*, 237 F.R.D. 618, 622 (N.D. Cal. 2006) stands for the unremarkable proposition that disclosure of privileged materials "constitutes a waiver of the privilege as to those items." In *Leland*, the plaintiff disclosed privileged information in a declaration submitted to the PTO seeking to correct inventorship of the patent. The *Leland* Court found that such disclosures did constitute a waiver, but that the scope of the waiver is limited to the narrow but logical subject matter of inventorship. Similarly in *Sky*, this Court found that any waiver of the privilege is "limited to the specific issues disclosed in the [previously privileged communication], for that by definition is the specific subject matter involved." *Sky* at 11.

Ergotron expands its proposed scope of waiver to encompass all privileged communications "relating to patentability" (Ergotron's Motion at 11) and "all communications with Attorney Waraksa" (Motion at 12, 14). Such a broad scope clearly includes communications completely unrelated to anything in the reissue declaration. For instance, the issue of proper inventorship (the specific issue addressed in *Leland*) is never mentioned in the reissue declaration and is certainly not the subject of any attorney-client communications which were disclosed in the declaration. Nonetheless, under Ergotron's proposal, Mass would be required to produce all privileged communications related to inventorship and numerous other unrelated subjects. Such a broad scope of waiver cannot be correct.

## IV. PROPER SCOPE OF WAIVER

Mass does not dispute that by including certain privileged information in its reissue declaration, a waiver related to those communications has occurred. However, unlike Ergotron, Mass seeks to comport with the law on waiver and restrict the scope of the waiver to only those communications relating to the same subject matter. This standard is clearly set forth in the cases cited by Ergotron:

> The widely applied standard for determining the scope of a waiver...is that the waiver applies to all other communications relating to the same subject matter.

*In re Seagate Technology, LLC*, 497 F.3d 1360, 1372 (Fed. Cir. 2007) (*citing Fort James Corp. v. Solo Cup Co.*, 412 F.3d 1340, 1349 (Fed. Cir. 2005)).

The subject matter disclosed in the reissue declaration relates solely to the scope of patent claims that might be available based upon the prior art known to Mass' attorneys at specific times – (1) when the application was originally prosecuted (discussed with Attorney Waraksa) and (2) when the reissue declaration was filed (discussed with reissue attorneys). Therefore, the proper scope of the waiver resulting from Mass' reissue disclosures should be limited solely to precisely that: (1) claim scope believed available based on the prior art known to MASS' attorneys during original prosecution; (2) claim scope believed available based on the prior art known to MASS' attorneys upon filing the reissue declaration.

Here, the information disclosed in the Moscovitch's reissue declaration is related very specifically to the available claim scope that the prior art would allow. Even more specifically, any waiver of the privilege based on the reissue disclosure must be limited only to the claim scope available based on the prior art known by Mass' attorneys during the original prosecution and then at the time the reissue declaration was submitted. Again examining the case cited by Ergotron, *Leland* limits the temporal scope of the waiver to the time periods at which the privileged information was "placed at issue." . *Leland*, 237 F.R.D. at 627. Mass placed the privileged information "at issue" in the reissue declaration; however, it has not subsequently placed the communications at issue. Therefore, any waiver should be limited in temporal scope to the time period up October 1, 1998 – the date the reissue declaration was filed.

## CONCLUSION

For the reasons set forth above, Mass respectfully requests that Ergotron's Motion to Compel should be denied.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that all counsel of record, who are deemed to have consented to electronic service are being served this 20th day of December, 2007 with a copy of this document via the Court's CM/ECF system per Local Rule CD-5(a)(3).

/s/ Stephen F. Schlather
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